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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE COMPANY,

Case No. BK-S-06-10725-LBR
 Case No. BK-S-06-10726-LBR
 Case No. BK-S-06-10727-LBR
 Case No. BK-S-06-10728-LBR
 Case No. BK-S-06-10729-LBR

USA CAPITAL REALTY ADVISORS, LLC,

CHAPTER 11

USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,

Jointly Administered Under
 Case No. BK-S-06-10725 LBR

USA CAPITAL FIRST TRUST DEED FUND, LLC,

**OBJECTION OF USACM TRUST TO
 ROSS DELLER'S CLAIM FILED IN
 WRONG DEBTOR'S CASE;
 OBJECTION OF DTDF TO PROPOSED
 ALLOWANCE OF CLAIM; AND
 CERTIFICATE OF SERVICE**

USA SECURITIES, LLC,

Debtors.

Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

Hearing Date: October 15, 2007
 Hearing Time: 9:30 a.m.

Ross Deller ("Deller") filed Proof of Claim No. 10725-00040 against USA Commercial Mortgage Company ("USACM") in the amount of \$50,000.00. The USACM



1 Liquidating Trust (the “USACM Trust”) hereby objects to Deller’s claim. The basis for
 2 the claim is shown on the face of the proof of claim and in the attachment as an investment
 3 in USA Capital Diversified Trust Deed Fund, LLC (“DTDF”). Accordingly, it is a claim
 4 that was incorrectly filed in the USACM case. The USACM Trust respectfully requests
 5 that this claim be disallowed as a claim against USACM. Although DTDF has not yet
 6 filed a formal proof of claim against USACM, and there is no deadline for it to do so,
 7 DTDF has informally asserted a claim in excess of \$100 million and the parties have
 8 participated in one unsuccessful mediation on this and other issues. Because DTDF does
 9 assert a significant claim against USACM, any claim held by Deller against USACM
 10 solely on account of the investment in DTDF is derivative of DTDF’s claims against
 11 USACM, and Deller may not prosecute such claims on Deller’s own behalf.

12 In *In re Van Dresser Corp.*, plaintiff was a shareholder of Van Dresser, which
 13 owned two subsidiaries.¹ The president of Van Dresser looted the subsidiaries, ultimately
 14 forcing them and Van Dresser into bankruptcy. The plaintiff had guaranteed \$1.125
 15 million in loans to the debtor, and had to repay them when debtor defaulted. Plaintiff then
 16 sued the debtor’s principal, and two other defendants (who he alleged aided and abetted
 17 the corporate looting) for various torts, including conversion, breach of fiduciary duty, and
 18 civil conspiracy.

19 The court stated that a debtor’s trustee has the exclusive right to assert a debtor’s
 20 claims, and that a claim belongs solely to the debtor’s estate if the debtor could have raised
 21 the claim at the commencement of the bankruptcy case.² Additionally, if a judgment
 22 against a defendant by either the debtor or another party asserting the debtor’s claim
 23

24 ¹ *In re Van Dresser Corp.*, 128 F.3d 945 (6th Cir. 1997).

25 ² *Id.* at 947 (citing *In re Educators Group Health Trust*, 25 F.3d 1281, 1284 (5th Cir. 1994); see
 26 also *In re Real Marketing Services, LLC*, 309 B.R. 783 (S.D. Cal. 2004) (citing *Van Dresser* with
 approval in a case involving an LLC debtor).

1 precludes the other from recovery, then the claims are not independent of each other and
 2 belong exclusively to the debtor.³

3 Thus, because both the plaintiff and the debtor corporation could state claims for
 4 damages against the defendants, but only one could recover on those claims, by default the
 5 claims were exclusively property of the Van Dresser trustees.⁴ In order for a plaintiff to
 6 bring a claim, either the trustee must have truly abandoned the claim, or the plaintiff must
 7 be able to allege a distinct and specific injury.⁵

8 Similarly, in *In re Real Marketing*, the debtor had attempted to enter into an asset
 9 purchase agreement that specifically included the assumption of debt owed to the debtor's
 10 managing member. The agreement fell through, and after the managing member filed an
 11 involuntary petition for relief against the debtor, the managing member asserted various
 12 causes of action against the purchasing company, including contract claims, debt
 13 assumption claims, misrepresentation claims, and interference claims.⁶ The court,
 14 however, found that all of the claims involved both the debtor's managing member and the
 15 debtor itself, and thus the right to pursue all of the causes of action resided with the
 16 trustee.⁷

17 DTDF further objects to any allowance of Deller's claim as a claim against the
 18 DTDF estate. DTDF has determined that Deller has an allowed proof of interest in the
 19 DTDF case in the amount of \$48,047.32 that roughly corresponds to the amount of the

20 ³ *Id.*

21 ⁴ *Id.* at 948.

22 ⁵ *Id.* at 949 (for example, a claim for the attorneys' fees plaintiff incurred defending the suits on
 23 the guaranty).

24 ⁶ *In re Real Marketing*, 309 B.R. 783, 786-87 (S.D. Cal. 2004).

25 ⁷ See also *In re Ionosphere Clubs, Inc.*, 156 B.R. 414 (S.D.N.Y. 1993) (courts determine whether
 26 action is individual or derivative based on state law, and the preferred shareholders breach of
 fiduciary duty claims were derivative per Delaware law); *In re Van Dresser*, 128 F.3d at 947
 ("whether a creditor has sole right to a cause of action is determined in accordance with state
 law").



1 Deller claim.⁸ This objection does not seek to prejudice the rights of Deller as a DTDF
 2 member to recover from the DTDF estate on a pro rata basis on account of Deller's
 3 membership interest in the amount of \$48,047.32. Deller shall retain an interest in DTDF
 4 in the amount of \$48,047.32, as reflected in the books and records of DTDF, and Deller is
 5 entitled to receive distributions on a pro rata basis with all other DTDF members.

6 Accordingly, the USACM Trust and DTDF seek entry of an order that will disallow
 7 Deller's claim against USACM, disallow any proposed allowance of Deller's claim in the
 8 DTDF case, and appropriately allow Deller to retain an equity interest in DTDF in the
 9 amount of \$48,047.32 as reflected in the books and records of DTDF as of April 13, 2006.

10 This objection is made pursuant to Bankruptcy Code section 502, Federal Rule of
 11 Bankruptcy Procedure 3007, and Local Rule of Bankruptcy Practice 3007.

12 Dated: September 14, 2007.

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25 ⁸ DTDF's books and records indicate Deller has three investment accounts in DTDF:
 26 \$96,094.65 in account no. 3438, \$48,047.32 in account no. 5353, and \$48,047.32 in
 account no. 6353.



CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via first class mail, postage prepaid, addressed as set forth below, on this 14th day of September, 2007 to:

Ross Deller
1469 Harmony Hill
Henderson, NV 89014

By /s/ Patricia M. Kois
Patricia M. Kois, Lewis and Roca LLP